BUDGET
1973-74

Speech of

Thiru M. Karunanidhi

Chief Minister

26th February 1973

Speech of Thiru M. Karunanidhi, Chief Minister of Tamil Nadu presenting the Budget for 1973–74 *to the Legislative Assembly on 26th February* 1973.

Mr. Deputy Speaker, Sir,

I stand before you today seeking through this House the affectionate approval of the people of Tamil Nadu for the Budget Estimates of this Government, a Government which has untiringly striven in the path of Anna to build a new Socialist society, a Government which marches ahead keeping before itself the goals " Welfare of the people and Development of the State ", a Government which overcomes all hindrances and difficulties in the true spirit of the Kural saying :

> " Smile in the face of adversity ;
> there is nothing like this to overcome
> obstacles and pass on to victory "

I am happy to place before you the Revised Estimates for 1972–73 and the Budget Estimates for 1973–74.

2. The Government of Tamil Nadu is anxious that socialist programmes should not be limited to mere verbal protestations but should be backed by energetic action. We have been fully aware of the need for cautious follow-up of our socialist programmes.

Hurried and hasty execution may often spell failure. We have been executing with deliberate determination various socialist measures, step by step. This Budget, I am happy to say, will indicate how we have been implementing the various socialist programmes announced by us earlier and the future course of actions we propose to pursue.

3. While the process of nationalisation erodes the dominant role of the private sector in the economy, nationalisation by itself is not adequate to improve the lives of millions of poverty stricken people, in the lowest depths of our society. It is our cherished hope that the living conditions of the masses can be improved through special programmes designed to provide jobs and remove poverty. However, there is a long way to go before this expectation and hope can be fully realised. While our long term plans are being fulfilled, we have been doing our best for the welfare of the poor and the impoverished, the slum dwellers, the beggars, the blind folk, the agricultural labour in general and the houseless poor. We continue our efforts, drawing inspiration from their blessings.

4. We know that this first aid is not adequate and that permanent and comprehensive help is called for. It is with this in mind that new schemes are being drafted. An outline of such schemes and suggestions about the manner in which the present Centre-State relationships have to be modified in order to implement the schemes effectively have been embodied in this Budget Speech.

I now turn to the Budget Estimates.

Budget Estimates, 1973–74.

5. The year 1972–73 is expected to close with a revenue surplus of Rs 1·80 crores. Revised Estimates of receipts and expenditure on the revenue account are Rs 441·04 crores and Rs 439·24 crores respectively. The Budget Estimates for 1973–74 placed before the House anticipate a receipt of Rs 465·56 crores and an expenditure of Rs 465·07 crores, with a surplus of Rs 49 lakhs in the revenue account.

6. Out of the total expenditure on the revenue account of Rs 465·07 crores, Rs 41·47 crores is on Plan outlay on revenue account. I mention this in order to point out that what we call the plan is only a small part of the total expenditure we incur. For instance, when we say our plan on revenue account on education is Rs 11·78 crores, we must remember that our total outlay on education is nearly Rs 97·23 crores.

7. The Budget Estimates for 1973–74 placed before the House make provision for capital expenditure of Rs 37·97 crores, repayment of loans to Government of India to the extent of Rs 53·07 crores, and loans and advances to the tune of Rs 11·50 crores.

Plan Outlay.

8. The year 1973–74 is the last year of the Fourth Five-Year Plan. The outlay in 1973–74 is therefore of crucial importance as the tempo of the Fifth Five-Year Plan will be based on the pace of developmental activities in 1973–74. We had fulfilled a plan of Rs 87·45 crores in 1969–70 and progressively stepped it up to

Rs 97·50 crores in 1970–71 and Rs 114·07 crores in 1971–72. We have been repeatedly urging Government of India that at least Rs 575 crores should be set apart for development schemes of the State during the Five-Year Plan period. For the three years up to 1971–72, the plan expenditure is of the order of Rs 299 crores. We, therefore, presented a revised plan of Rs 125 crores for the current year and Rs 150 crores for the Annual Plan, 1973–74.

9. I had discussions last month with the Union Planning Commission and the Planning Minister on the size of annual plans and the general financial position of our State. During these discussions, it was agreed that the Plan outlay for the current year may be of the order of Rs 116 crores and that of 1973–74 may be around Rs 120 crores. However, considering the Plan requirements of the State, we have enforced economies in non-Plan expenditure and have included provision in the estimates for plans to the extent of Rs 120·27 crores in the current year and Rs 126·44 crores in the coming year.

In spite of all these efforts of the State Government, the Fourth Plan outlay will be only Rs 546 crores. While this is higher than the figure of Rs 519 crores originally indicated by the Central Planning Commission, it is still lower than the plan of Rs 575 crores which we had finally pleaded for.

Financial assistance for Plan.

10. The primary reason for this is the shortfall in Central assistance ; as against the original promise of Rs 250 crores, the Centre has allocated only Rs 202

crores. The percentage which the Central assistance to Tamil Nadu bears to the total Central assistance to all the State Governments was 10·8 in the First Plan; this became 9 per cent in the Second Plan and it came down further in the Third Plan to 7·4 per cent and has dwindled down to 4·7 per cent in the Fourth Plan. This only shows the step-motherly attitude of the Centre towards Tamil Nadu.

On behalf of the people of Tamil Nadu, I reiterate that at least in the coming Fifth Five-Year Plan, this state of affairs should not be allowed to continue and should give place to a more just allocation. The population of Tamil Nadu is 7·5 per cent of the country's total population. The responsibility for ensuring a just share for Tamil Nadu rests squarely with the Centre.

The Sixth Finance Commission.

11. It is our view that the Finance Commission should be the primary channel for the flow of funds from the Centre to the State Governments. This alone will ensure certainty and equity in the distribution of national resources to the various States. We have pointed out to the Finance Commission that in practice many indicators of backwardness used by previous Finance Commissions do not serve the intended purpose and have urged that this system of allocation must be suitably altered. It is our opinion that the Finance Commission itself should look into the Plan needs and non-Plan needs of States in an integrated manner. We have been repeatedly pleading that there

are not only backward States but also backward areas in other States and these backward areas in other States should also be reckoned for considering allocations. We have further urged that the present practice of the Centre assuming jurisdiction in matters which are in the State list such as Agriculture, Education and Health should be given up. All the funds now allocated in respect of such sectors should be canalised through the Finance Commission to the States. We have further emphasised before the Sixth Finance Commission our views that the debt burden of States should be reduced, that the base of divisible taxes should be enlarged, that the " Corporation Tax " which is primarily an income-tax, should be brought into the divisible pool, that the percentage of excise shared by the States should be increased to 50 per cent and that only by such structural changes can States be rescued from financial uncertainties.

Natural Calamities.

12. The central team which came for an on-the-spot inspection of the damages in the State due to floods and cyclone was impressed with the relief measures undertaken by the Government of Tamil Nadu. I thank the Centre for having accepted the recommendations of the team and for having come forward to grant us assistance of the order of Rs 14·25 crores. It is my view that a contingency provision should be made in the plans of all States for relief work to meet natural calamities. Suitable provision should be made in the Plan, based on the experience gained over a decade in such States regarding cyclone, flood

and drought. If this is done, as and when relief measures are necessary, a State can draw upon such amounts already set apart and implement relief schemes expeditiously.

Agricultural Growth.

13. The production of foodgrains was 70·45 lakh tonnes in 1971–72 and is expected to be 72·02 lakh tonnes in 1972–73. We should be happy that this increase has taken place in spite of adverse seasonal conditions. A crash programme has been launched during the samba season to bring 4·82 lakh acres under paddy in South Arcot, North Arcot and Chingleput districts, 4·13 lakh acres under millets and 6·10 lakh acres under pulses in different districts. Besides, an area of 2 lakh acres will be covered under the sun flower development scheme.

We believe that through implementation of the schemes for production of cereals, pulses and oil seeds, the rate of increases of price can be brought down. At this juncture, when both the State Government and the cultivator are enthusiastic about these programmes of production, the Tamil Nadu Government expects the wholehearted co-operation of the Central Government. So far, we have received Central allocations of only 1·30 lakh tonnes of fertiliser as against our demand of 2·74 lakh tonnes in terms of Nitrogen. When the Central Minister for Agriculture was here recently, we requested him to supply in full our demand for fertilisers and for adequate financial help so that we can not only attain self sufficiency in foodgrains but also help our neighbouring States.

The Budgeted outlay on Agriculture for 1973–74 is Rs 22·36 crores. In counting Governmental outlays on agriculture, we have also to take into account the loss of Rs 14 crores per annum incurred by the Electricity Board as a result of agricultural connections. In the estimates placed before the House, a sum of Rs 17·8 crores has been set apart in Revised Estimate, 1972–73 to cover the requirements of 1971–72 and 1972–73 and a sum of Rs 8·2 crores for 1973–74 as subsidies to the Electricity Board to meet in part these losses. Besides this outlay, the amount of Rs 15·55 crores spent for the maintenance of irrigation has also to be taken note of. As against this, receipts from Irrigation Cess come to only Rs 3·66 crores. A sum of Rs 12·23 crores in Revised Estimate, 1972–73 and Rs 12·44 crores in Budget Estimate, 1973–74 have been allocated for capital outlay on irrigation works. Thus, under various heads, the Government have set apart nearly Rs 55 crores for the growth of agriculture. Over and above this, we have been sanctioning loans for agriculture through co-operative societies also. So far in the current year, a sum of Rs 57·27 crores has been sanctioned by way of short, medium and long-term loans up to the end of December 1972. For the rest of the year, a sum of Rs 40 crores will be sanctioned as loan. For the year 1973–74, a total sum of about Rs 100 crores is expected to be sanctioned under all these heads.

Animal Husbandry.

14. As against a sum of Rs 4·31 crores set apart in the Budget Estimate for the year 1972–73 under Animal Husbandry, a sum of Rs 4·89 crores has been

allocated in the Revised Estimate, 1972–73 and a sum of Rs 5·17 crores in Budget Estimate, 1973–74. It has been proposed to establish 5 key village blocks in 1973–74. Intensive Cattle Development Projects will be set up at a cost of Rs 15 lakhs during the year 1973–74 at Saidapet, Coimbatore and Madurai. Besides, twenty-five Veterinary dispensaries will be opened at a cost of Rs 6 lakhs.

Health and Medical Services.

15. As against Rs 38·91 crores proposed to be spent in Revised Estimate, 1972–73 on medical and health services including family planning programmes, Rs 41·17 crores will be spent in the coming year. Taking the two years 1972–73 and 1973–74, 61 Panchayat Union Dispensaries will be provincialised.

Some of the new schemes which are to be taken up for implementation in the coming year are :

Construction of 24-bed hospitals at Karur and Vaniyambadi, a 30-bed ward in Government Kasturba Gandhi Hospital for Women and Children at Madras, a 100-bed ward in Coimbatore Medical College Hospital, a 147-bed ward in Tirunelveli Medical College Hospital ; provision of E.C.G. at 5 Taluk Headquarters hospitals and 6 district headquarters hospitals and provision of X-ray units at 10 taluk headquarters hospitals.

Simultaneously, we are developing the indigenous system of medicine also. A 25-bed hospital at Arumbakkam Arignar Anna Government Hospital in

Indigenous medicine and opening of Siddha wings in ten taluk headquarters hospitals are some other features of the Budget Estimates.

From June 1972 till to-day, eye-sight has been restored and glasses supplied free to 35,000 poor villagers under the Free Eye-Camp Project. Besides, under the Beggar Rehabilitation Scheme, beggars afflicted with leprosy have been rehabilitated and medical relief has been given to them. Before the close of the year, 1972–73, ten Beggar Rehabilitation Centres housing 5,000 leprous beggars would be completed and would start functioning.

Education.

16. A substantial portion of our outlays has been earmarked for education. The expenditure on education has risen from Rs 43·86 crores in 1966–67 to Rs 95·82 crores in Revised Estimate, 1972–73 and to Rs 97·23 crores in Budget Estimate, 1973–74. Members will be happy to note the change effected in regard to the mode of sharing of expenditure by the Government and the Panchayat Unions on education. Government's commitment on expenditure incurred by Panchayat Unions on this account has risen from Rs 32·12 crores in 1971–72 to Rs 35·95 crores in Revised Estimate, 1972–73. If the expenditure on education included under other heads like Medical Education, Agricultural Education and Harijan Welfare is also taken into account, the total expenditure on education will come to Rs 108·5 crores for the year 1973–74. This would constitute nearly 24 per cent of the total budgeted expenditure on revenue account. Eloquent

testimony to the interest evinced by the Government in Higher Education is given by the rise in the number of colleges from 105 in 1966–67 to 176 in 1972–73.

While we all agree that opportunities for education must be extended to all people including those in the lowest strata of the social pyramid, we continue to face the problem of maintaining and improving the quality of education. Steps are under way to introduce appropriate changes in the curricula with a view to improving the content and quality of education in our schools. Particularly in the case of Science subjects, steps are being taken to impart improved education, even from the elementary school stage. With a view to encouraging teachers to put forth their best, their salary scales have been raised substantially. We can also proudly claim that Tamil Nadu is in the lead among the progressive States of India in extending pay and pensionary benefits to the teachers employed in private schools, comparable to those given to the teachers employed in Government schools. The pay scales recommended by the University Grants Commission have been extended to the teaching staff working in all the colleges.

Though opinions differ as to the number of years required for various stages of education, there is general agreement throughout the country that the total length of schooling up to the first degree should be fifteen years. The present system in Tamil Nadu also provides for a period of fifteen years up to graduation. Differing views, however, have been expressed in educational

circles as to whether there should be a Pre-University Course followed by a three-year degree course or a two-year Intermediate Course followed by a two-year degree course. Only when it is finally settled as to whether the collegiate education should be a four-year course as at present or should be raised to a five-year course will it be possible to decide whether the school education should be for a period of 10 or 11 years. Government of Tamil Nadu will take a final decision after ascertaining the views of all the three Universities of Tamil Nadu on the period of collegiate education.

I had referred, in the speech presenting the Budget Estimates for 1972–73, to the need for utilising the services of talented experts working abroad and stated that a scheme under which these experts can come to Tamil Nadu and serve at least for a year, would be implemented. In pursuance of this proposal, we are in touch with many of our scholars abroad and we hope that at least a few of them will be able to come to Tamil Nadu and serve in our colleges and research laboratories in the coming year.

It is my firm belief that the students community should properly use the opportunities provided by the State and society as a result of their massive investment on Education. Only such an approach will augur well for the future of the students as well as the country. It is the responsibility of all who are interested in the welfare of the coming generation to create an atmosphere in which students can acquire skills in peace and with enthusiasm. I am deeply

pained at the efforts made here and there to create an agitated frame of mind amongst the students in regard to questions and issues which have no relevance to education. In all humility, I request that all people should co-operate with Government in this respect and rise above all partisan considerations to help to build a stable base for a prosperous future for our students. It is this Government's policy to adopt appropriate measures on this basis keeping in view the welfare of students and teachers and the need to maintain and improve the quality of education.

Power.

17. The installed capacity for generation of electric power in Tamil Nadu has risen by nearly 500 M.W. in the last five years. However, along with many other States in the country affected by shortage of power, Tamil Nadu has also had to face a severe power cut. The House is fully aware of the reasons for this critical situation. The State Government had, on many occasions, impressed on the Central Government the need for early establishment of Thermal and Atomic power stations and also for the expansion of the existing thermal power stations so that we need not depend exclusively on hydel power. Under the present set up, it is inevitable that the State Governments have to wait for a long time for the clearance from the Centre even for small schemes drawn up for the generation of electricity. We have to realise that power potential has to be created ahead of industrial expansion ; we have already informed the Centre that in the year 1983-84, Tamil Nadu will be

facing a power deficit of 3,000 M.W. The Centre should heed our requests and take early steps for implementation of the Second Mine cut at Neyveli, expansion of Kalpakkam Atomic Power Plant, Atomic Power Plant in Tuticorin and Thermal Power Plants in Tuticorin and Mettur and the Hogenekal Hydro-electric Project all of which we have been urging repeatedly. I am happy to say that the 200 megawatt Kadambarai Hydro-Electric Project for which we had sought approval in 1971 has been cleared recently in February 1973 and preliminary work is under way.

Difficulties experienced on account of power cut have been examined and many steps have been taken keeping in view the welfare of the labourers, weavers, agriculturists and the public in general. I assure the House that this Government will not hesitate to take all further steps that may be necessary in this regard.

I would make an earnest plea that this issue has to be viewed as a general question transcending all party barriers. I feel it is possible to solve the problem if all people co-operate on a non-partisan basis.

Handloom.

18. In the estimates before us, the outlay for the uplift of Handloom Weavers has been stepped up to Rs 1·94 crores in 1973–74 from Rs 1·52 crores in 1972–73. During the current year, Government have sanctioned an interest free ways and means advance of Rs 1·5

crores to the Tamil Nadu Handloom Weavers Co-operative Society in order to tide over the difficulties on account of credit sales to Government servants. Thanks to this assistance, the apex society has been able to procure Rs 8·10 crores worth of stock from the primaries. I would like to recall that during 1966–67, material worth only Rs 3·25 crores was procured.

We have requested the Government of India to reserve production of dhothies, sarees, towels, bed-sheets and bedspreads exclusively for Handloom Industry and also to simplify the rules so as to make this reservation easily enforceable. It is to be regretted that the Government of India have not so far taken any action on this.

Another important issue is the supply of yarn to the Handloom sector. Looms in the co-operative fold are being supplied yarn at reasonable prices through co-operative spinning mills. It is also essential that yarn is supplied to looms which do not come within the co-operative fold. We have requested the Centre to empower the State Government to regulate the issue of yarn from all spinning mills. The Centre has not so far taken a decision on this issue.

We have constituted an Expert Committee under Thiru K. Santhanam with a view to suggesting suitable measures for tackling various problems of the Handloom industry. We have also constituted a Minimum Wages Committee to examine the wages obtaining at present in the handloom industry and to suggest

measures for fixing minimum wages for handloom weavers. Government will take necessary action on the basis of the recommendations of both these committees.

Industries.

19. Work is in progress in respect of projects for the manufacture of Nylon, Sodium Hydro Sulphite, Tyre and B.C.T. for which letters of intent have already been obtained. As far as Small Scale Industries are concerned, in the current year, SIDCO has spent Rs 3·56 crores for the purchase and stocking of raw materials and Rs 1·80 crores for loans for machinery and for industrial estates. Next year, this is expected to go up to Rs 8·50 crores. Industries with a total investment of Rs 6·52 crores have been given assistance in the shape of loan and share capital through SIPCOT. The total aid so given comes to Rs 1·06 crores. As the House is fully aware, these two institutions were started recently by this Government and are functioning well. It is expected that TANSI, which is managing State owned small industries, will reach a level of production of Rs 7·00 crores during this year in spite of the prevalent power cut as against Rs 4·79 crores in the year 1966–67. This will rise to Rs 9·00 crores in 1973–74.

We are planning and implementing a number of new industrial projects in the State Sector. However, except for the Salem Steel Plant, there has been practically no addition to the Central Sector projects in the State of Tamil Nadu during the Fourth Plan period. During 1972–73, out of the total All-India investments

in industries to the tune of Rs 686 crores by the Centre, it is understood that only about Rs 20 crores would be in this State. It is worth noting that Tamil Nadu is ideally suited for locating Defence production industries and other major industries. It is in this context that we have sought clearance of Government of India for the following new major industrial projects. Industrial Refinery at Tuticorin (Rs 52 crores), Petro-Chemical Complex at Manali (Rs 80 crores), Polyester Film Plant (Rs 13 crores) and a plant for Refractories at Salem (Rs 10 crores). We have also requested Government of India to expedite oil exploration in the Cauvery Basin.

In this context, I would like to emphasize one other request of ours. There is an imperative need to take up expeditiously the execution of Sethusamudram Project, for which we have been pleading over the last two decades or more. This will cut travel time between the east and west coasts of the country and has great defence and coastal trade potential. I would, therefore, request the Union Government to take it up at least during the Fifth Plan. Besides, I would also urge that a ship building yard be located at Tuticorin.

Employment.

20. As indicated in the Governor's address, we have been doing our best to increase employment opportunities. We have already initiated special employment schemes costing Rs 10 crores. Among these are crash schemes for rural employment costing Rs 3 crores, rural road schemes costing Rs 3 crores, youth corps schemes

at a cost of Rs 61 lakhs, drought prone area programme at a cost of Rs 1·31 crores, apprentice schemes to assist diploma and degree holders at a cost of Rs 47 lakhs, loan schemes to I.T.I. trained persons with an outlay of Rs 13 lakhs and apprentice teachers scheme costing Rs 25 lakhs.

In addition to these, we have drawn up an elaborate special scheme to tackle the problem of educated unemployment. This scheme costing Rs 15 crores will be implemented after securing the approval of Government of India.

Rural Development.

21. In my Budget Speech last year, I had announced a programme to link all habitations with a population of 1,500 and more with the main roads and also connect the small villages en route. I am happy to mention that a sum of Rs 3 crores is being spent in 1972–73 as a part of the Rs 19 crores programme drawn up in this regard. A sum of Rs 3 crores has been set apart in 1973–74 also.

Government have re-classified the Panchayat Unions based on the recommendations of Panchayat Education Finance Enquiry Committee and have provided for liberalised rates of local-cess surcharge matching grant payable to Panchayat Union Councils. Consequently, Panchayat Unions are expected to get Rs 5·25 crores as local cess surcharge matching grant in 1973–74.

Urban Development.

22. Honourable Members may recall that the comprehensive Town and Country Planning Bill has

become an Act. The setting up of Town and Country Planning authorities under the Act is engaging the attention of the Government. The formulation of the regional plans for the eight regions into which the State has been delineated is nearing completion. In addition to the regional plans, master plans and detailed plans are being prepared for the orderly development of the urban areas.

Government have constituted the Madras Metropolitan Development Authority. The strategy contemplates the development of satellite towns at a distance of about 30 miles from the city as a countervailing force to control future immigration into the city. As a first step, the Government have decided to take up an area adjoining Kattankulathur in Chingleput district for implementation of the scheme. This satellite township will be named as "Marai Malai Nagar" in memory of the Tamil Savant, late Marai Malai Adigal. A sum of Rs 2 lakhs has been set apart in 1973–74 towards preliminary expenses.

Housing.

23. In 1973–74, the plan provides Rs 7·08 crores for creation of housing facilities. We are also planning to implement a new scheme for the benefit of middle income and low income groups by getting additional funds from commercial banks. This scheme will be implemented in Tiruchirappalli, Salem and Ramanathapuram districts. The Central House Mortgage Society is also increasing loans for housing. Steps are being taken to get increased funds from L.I.C. for this purpose.

Slum Clearance Board.

24. As against a sum of Rs 4 crores which was set apart in Budget Estimate, 1972–73 for clearance of slums in urban areas, we have set apart a sum of Rs 6·5 crores in the Revised Estimate, 1972–73 and an equal sum in Budget Estimate, 1973–74.

We expect to complete 4,500 tenements in 1972–73 and an equal number in 1973–74. Moreover, basic amenities will be provided for the slums under the environmental improvement scheme.

Tamil Nadu Water-supply and Drainage Board.

25. Ever since the setting up of the Water-supply and Drainage Board in 1969–70, we have taken up an intensive programme to supply drinking water to Madras Corporation and to other Municipalities. The Veeeranam Project intended for bringing adequate water to Madras City is expected to be completed in 1974. Between 1969–70 and the current year, 84 new water-supply schemes for municipalities have been formulated. 43 schemes have been completed. In addition, 25 schemes are expected to be completed within this year. In view of all these efforts, out of the 99 municipalities, 80 municipalities will be getting protected water-supply. In addition, schemes are under implementation for the benefit of the 10 more municipalities and plans are under preparation to cover the remaining 9 municipalities.

The Tamil Nadu Water-supply and Drainage Board has drawn up a comprehensive scheme at a cost of Rs 40 crores to provide all the villages with

protected water-supply in a period of six years. As a first step, this year 220 tube-wells are being sunk in villages at a cost of Rs 1,00 lakhs. 450 bore wells will be sunk next year with an outlay of Rs 2,00 lakhs. Apart from this, in 1973–74 Panchayat Unions will be spending Rs 1·46 crores under Rural Water-supply Schemes and a sum of Rs 0·50 crore will be spent under the UNICEF Programme. Thus, for Drinking Water-supply Schemes a total sum of Rs 20 crores will be spent in 1973–74 as against a sum of Rs 3·5 crores in 1966–67.

Welfare of Scheduled Castes and other Backward Classes.

26. Government's abiding concern has always been for the socio-economically weaker sections. Exclusive of the outlay on Nutrition Programmes which was earlier shown under the head of account "Harijan Welfare", the outlay for this head in 1973–74 will be Rs 8·16 crores. The outlay for Backward Classes will be Rs 5·56 crores. Out of this, the State Plan items and the Centrally Sponsored items are as follows :—

	Year.	Total.	Non-Plan expenditure by the State.	State Plan.	Centrally-sponsored.
			(RS IN CRORES.)		
Harijan Welfare	1973–74.	8·16	5·52	2·05	0·59
Backward Classes	1973–74.	5·56	1·76	3·50	0·30

It will be clear that most of the outlay in respect of welfare of Harijans and Backward Classes is borne by the State Government.

Government have also organised a special coaching scheme for meritorious college students belonging to the Harijan and Backward Class communities. This scheme is to ensure that the meritorious among them are given proper encouragement and intellectual confidence.

Government have also decided to get assistance of Rs 2 crores from Commercial Banks with a view to constructing Harijan Hostels and Backward Class Hostels. If we take this also into account, our outlay on welfare of Harijans in 1973–74 will be Rs 9·16 crores and that on Backward Classes Rs 6·56 crores.

Labour Welfare.

27. Keenly interested as we are in the welfare of labour, we have set up a committee to examine the minimum wages to be paid to agricultural labour, as in the case of handloom weavers. Besides, with a view to meeting at least a portion of the cost of filing of writs or writ appeals by small trade unions before the High Court, Government have decided to give Rs 150 each to such unions. We have also set up a Labour Welfare Fund for which a grant of Rs 5·00 lakhs has been given as a first instalment.

House-sites for Agricultural Labourers.

28. Under the Tamil Nadu Kudiyiruppu Occupants (Confirment of Ownership) Act of 1971, house-sites have so far been granted for 157,000 persons in

Thanjavur district. Out of these, 100,000 are Harijans and 47,000 belong to the Backward Classes. Government have also decided to waive the recovery of the cost of the Kudiyiruppu land from the beneficiaries and to bear from the State Funds the entire compensation for the house-sites payable to the owners of Kudiyiruppu. Government have also decided to extend the Act to all other districts excluding hill areas. Thousands of agricultural labourers will be further benefited by the extension of the Act to all these districts.

29. Though Government have been taking various steps for speedy growth under many sectors of development, any one who examines this budget will be able to appreciate the fact that the State has in many cases to keep waiting for the approval of the Central Government and to depend on Central assistance. It is only with a view to eliminating these difficulties and implementing worthwhile schemes without any delay that we have been stressing that States should have full autonomy. The relationship between the States and the Centre, should not depend merely on the personalities who are at the helm of affairs in the States and the Centre but should be strengthened, stabilised and incorporated on such a basis in the Constitution. The Constitution should be suitably amended for this. While we are hopeful that this just principle will be accepted, we are also striving our best to implement socialist programmes within the limits of the powers conferred on the State. The recent Bill for nationalisation of bus transport is evidence of the steps taken by the State Government in this direction.

I now turn to a few announcements which, I hope will cheer the people of Tamil Nadu.

(1) Wholesale Trade in Foodgrains.

In his Address to Parliament, the President has referred to the wholesale trade in foodgrains. Our Minister for Revenue has participated in the Chief Ministers' Conference held in this connection on the 24th February 1973. This Government will examine the suggestions discussed in this Conference and take decisions as to how this State can participate in the wholesale trade in foodgrains with a view to controlling prices of essential commodities and in keeping with the special circumstances of our State.

(2) Labour Legal Advisory Cell.

Many individual labourers as well as many smaller trade unions are not in a position to spend money to get advice on labour laws. It is necessary to give them guidance not only regarding steps to be taken in regard to their special problems but also specifically as to what materials to gather and which forums to approach for assistance. With a view to helping the workers and to render them legal advice, three Labour Legal Advisory Cells will be set up in the coming year at Madras, Madurai and Coimbatore.

(3) Government Employees.

It is our view that there should be an integrated policy in regard to emoluments of Government servants both of the Central Government and of the States.

We have also urged the view that the Central Government should consult the State Governments when it considers changes in the emoluments of its employees. The Central Government should undertake the responsibility of assisting State Governments to restructure the emoluments of their employees in keeping with those of Central Government.

During the current year, we have brought about considerable improvement in the service conditions of the State Government's employees. We have spent nearly Rs 5·5 crores on the increase of dearness allowance of employees. The implementation of the recommendations of the One Man Committee and certain other suggestions has cost us between Rs 4 and 5 crores a year. In the current year, house rent allowance in the city has been enhanced to 12 per cent of the basic pay. Following the recommendations of the Second Pay Commission, house rent allowance will be increased to 15 per cent for Madras City and suitable increases will be made for other areas also with effect from 1st April 1973. For this, the annual expenditure will be Rs 1·5 crores. When the Government servants and teachers put forth demands for further increase in emoluments, they should keep in mind the difficult financial situation of the State. In spite of these difficulties, in response to the request of Government servants for the increase of dearness allowance, Government have decided to increase by Rs 10 per month the dearness allowance for all employees drawing below Rs 1,000 per month. This

increase will take effect from the salaries for the month of April 1973 and will cost annually Rs 6 crores. In view of the financial stringency facing the State, this increase will be credited to the Provident Fund accounts of employees for a period of one year. As usual, this increase will benefit all teachers and employees of local bodies.

(4) Harijan Development and Housing Corporation :

Out of the sites acquired for Harijans by the Government so far, nearly 80,000 remain without any houses being built on them. With a view to expeditiously building houses on these sites, Government have decided to establish a Harijan Development and Housing Corporation under the chairmanship of a senior Government official. This Corporation will secure assistance from banks and other financial institutions. It is Government's intention to build houses on all these sites within a period of ten years. As a first step, 10,000 houses will be built in 1973–74.

(5) Pudukkottai :

I am happy to announce that Pudukkottai will be constituted as a separate revenue district in keeping with the long-standing request of the people of the locality. The Board of Revenue has been requested to examine and make recommendations as to the areas that should be part of this new district and on connected issues.

(6) Improvement of the Buckingham Canal :

The Cooum Improvement Scheme has been completed. We have set apart Rs 50 lakhs in the Budget Estimate for 1973–74 for the scheme of improvement of the Buckingham Canal with a view to making it useful for inland navigation. Our intention is to convert this to a canal of 33 feet width and 6 feet draught for the entire length of 100 miles within this State.

(7) Private Electricity Undertakings :

Legislation will be brought forward in this Session to acquire Kumbakonam Electric Supply Corporation, Nagapattinam Electric Supply Corporation, Vellore Electric Supply Corporation, South Madras Electric Supply Corporation, Tirunelveli and Tuticorin Electric Supply Corporation, Salem-Erode Electric Supply Corporation and Shencottah Electric Supply Corporation. This will complete the acquisition of all the seven licencees who now remain in the private sector.

(8) Aluminium Industry :

Tamil Nadu Industrial Investment Corporation has invested nearly Rs 115 lakhs in MALCO (Madras Aluminium Company, Limited) which functions at Mettur, utilising bauxite available in Tamil Nadu. Aluminium produced in this factory is a raw material for a number of small and big industries. Government have decided to nationalise this factory with a view to making aluminium more easily available to all industries and generally with a view to utilising our

natural resources in the public interest. As a first step, legislation in order to take over the management of this Company will be brought forward in this Session after obtaining the concurrence of the Central Government.

(9) Land Reforms :

Our policy is that land should belong to the tiller of the soil. A number of measures of land reform have been enacted in this House, on this basis. A number of enactments have already been brought to the statute book for the protection of tenants who have been cultivating land-owners' lands for many years. Government have decided to bring forth legislation to confer on these tenants the right to purchase the lands they cultivate, from their land-owners. Care will be taken to ensure that the poorer and small land-owners will not be adversely affected by this legislation. I am happy to announce that this legislation will be brought forward in this Session. Besides, a Tenants Financing Corporation will be set up to assist the poorer tenants to make the purchase.

30. " Anyone can easily make promises, rare is he who matches his deeds to his words ", says the Kural. It is this sage advice which has moved us over these six years to respond to the challenge of building an enlightened, new, socialist society in keeping with our promises to the people. I have placed before you today yet other announcements of decisions that are evidence of our determination. We

march forward towards our cherished goal with a mixture of pain and amusement, amused at the stiff resistance offered by erstwhile masters of the bastions of pelf and power, pained at the arrows and slings that are flung at us from quarters we thought least likely to oppose us, in fact, persons who, we considered, would support these progressive schemes and measures. Undaunted by these obstacles, we move ahead. For, as the Kural says, " the whole world gathers under the umbrella of that Ruler who bears patiently when words bitter to his ear are flung at him ". It is in this confidence that I now proceed to discharge my pleasant duty of placing these Budget Estimates before this House.

MADRAS,
26th February 1973.

M. KARUNANIDHI,
Chief Minister.